

**DATE:** April 14, 2005

**SUBJECT:** Proposed Revision of Performance Funding Standards for 2005-10 Cycle

**ACTION RECOMMENDED:** Approval

**BACKGROUND INFORMATION:** Performance Funding is designed to stimulate instructional improvement and student learning as institutions carry out their respective missions. Performance Funding is an incentive for meritorious institutional performance and provides a means of assessing the progress of public funded higher education. Tennessee was the pioneer in the development of performance funding and has become a model for other states that have become interested in this initiative.

The 2005-10 cycle represents the sixth cycle since the performance funding program was initiated in 1979. The standards for Performance Funding are established for a five-year cycle and developed by an Advisory Committee which works with the Commission staff. The Advisory Committee is composed of institutional and governing board staff. Members of the Performance Funding Advisory Committee are:

- Dr. Augustus Bankead, *Vice President for Academic Affairs*, Tennessee State University
- Dr. D. Peter Brown, *Vice President*, Dyersburg State Community College
- Dr. Linda Doran, *Associate Vice Chancellor for Academic Affairs*, Tennessee Board of Regents
- Dr. Richard Gruetzemacher, *Director of Planning, Evaluation and Institutional Research*, University of Tennessee, Chattanooga
- Dr. Sherry Hoppe, *President*, Austin Peay State University
- Dr. Robert A. Levy, *Interim Vice President for Academic Affairs*, The University of Tennessee System
- Dr. Susan D. Martin, *Associate Vice Chancellor for Academic Affairs*, The University of Tennessee System
- Dr. Leo McGee, *Associate Vice President for Academic Affairs*, Tennessee Technological University
- Dr. Dan Poje, *Director of Academic Programs and Assessment*, University of Memphis
- Dr. Victoria Seng, *Assistant Vice Chancellor for Academic Affairs and Dean of Graduate Studies*, University of Tennessee, Martin
- Dr. Paula Short, *Vice Chancellor for Academic Affairs*, Tennessee Board of Regents
- Dr. Arthur L. Walker, Jr., *President*, Motlow State Community College
- Dr. Ellen J. Weed, *Vice President for Academic Affairs*, Nashville State Technical Community College

Four subcommittees assisted the Performance Funding Advisory Committee in developing the standards: Scoring and Implementation, General Education, Major Field Assessment, and Survey.

The Scoring and Implementation Subcommittee focuses primarily on the procedures and policies related to the scoring for each of the performance funding standards.

Dr. Houston Davis, *Assistant Vice President for Academic Affairs and Assistant to the President*, Austin Peay State University

Dr. Richard Gruetzemacher, *Director of Planning, Evaluation and Institutional Research*, University of Tennessee, Chattanooga  
Dr. Victoria Seng, *Assistant Vice Chancellor for Academic Affairs and Dean of Graduate Studies*, University of Tennessee, Martin  
Dr. Debbie Scott, *Dean of Planning, Research and Assessment*, Walters State Community College  
Dr. Ellen J. Weed, *Vice President for Academic Affairs*, Nashville State Technical Community College

The General Education Subcommittee reviewed the general education assessments and considered the findings from the 2000-05 general education pilots.

Dr. Jack Armistead, *Dean, College of Arts and Sciences*, Tennessee Technological University  
Dr. Kay Clark, *Associate Vice Chancellor for Academic Affairs*, Tennessee Board of Regents  
Ms. Charle B. Coffey, *Director of Academic Services*, Motlow State Community College  
Dr. Laura Jolly, *Professor, Consumer Services Management*, University of Tennessee, Knoxville  
Dr. Robert A. Levy, *Interim Vice President for Academic Affairs*, The University of Tennessee System

The Major Field Assessment Subcommittee reviewed the standard relating to assessment in the major by building upon the system's current strengths and updating them for the 2005-10 cycle.

Dr. William G. Kirkwood, *Associate Dean of Special Programs*, East Tennessee State University  
Dr. Cathryn McDonald, *Vice President for Academic Affairs*, Columbia State Community College  
Dr. Susan D. Martin, *Associate Vice Chancellor for Academic Affairs*, The University of Tennessee System  
Dr. Thomas Rakes, *Vice Chancellor for Academic Affairs*, University of Tennessee, Martin

The Survey Subcommittee reviewed the standards related to student, alumni and employer surveys.

Dr. Karen Brunner, *Director of Institutional Effectiveness and Research*, Roane State Community College  
Dr. Cynthia Burnley, *Associate Dean for Assessment*, East Tennessee State University  
Mr. Michael McFall, *Assessment Coordinator*, University of Tennessee, Knoxville  
Dr. David Watts, *Assistant Vice President for Planning and Effectiveness*, Cleveland State Community College

**Performance Funding 2005-10 Cycle  
Summary**

<b>Performance Funding Standards</b>	<b>2-Year</b>	<b>4 – Year</b>
<b>Standard One –Student Learning Environment and Outcomes</b>		
▪ Student Learning – General Education	15	15
▪ Student Learning – Major Field Assessment	10	10
▪ Accreditation and Program Review	10	15
<b>Standard Two – Student Satisfaction</b>		
▪ Student, Alumni and Employer Surveys	10	10
<b>Standard Three – Student Persistence</b>		
	15	15
<b>Standard Four – State Master Plan Priorities</b>		
▪ Institutional Strategic Planning Goals	5	5
▪ State Strategic Planning Goals	10	10
▪ Transfer and Articulation	N/A	5
▪ Job Placement	10	N/A
<b>Standard Five – Assessment Outcomes</b>		
▪ Assessment Pilot	5	5
▪ Assessment Implementation	10	10
<b>Total Points</b>	<b>100</b>	<b>100</b>

**PERFORMANCE FUNDING 2005-10 CYCLE  
STANDARDS**

**STANDARD ONE – STUDENT LEARNING ENVIRONMENT AND OUTCOMES**

**Student Learning: General Education**

**15 points**

The General Education standard provides incentives to institutions for improvements in the quality of their undergraduate general education programs as measured by performance of graduates on an approved standardized test of general education. Testing is measured by the overall performance (mean score) of an institution. National norms will be drawn from the same population as the institution, e.g., for two-year institutions, the national norm will be drawn from all two-year institutions utilizing the particular standardized test chosen by the institution.

**Student Learning: Major Field Assessment**

**10 points**

The Major Field Assessment standard provides incentives to institutions for improvements in the quality of major field programs as evaluated by the performance of graduates on exit examinations. Institutions have the flexibility of aligning the exit examination with the curriculum and using various exit examinations such as locally developed instruments, standardized tests, or licensure examinations.

**Accreditation and Program Review**

**2 year – 10 points**

**4 year – 15 points**

This assessment indicator provides incentives for institutions to achieve and maintain program excellence and accreditation. For those programs that are accreditable, evaluation is based on the percentage of eligible programs which are accredited. For those programs that are non-accreditable, institutions can use either the traditional program review or Academic Audit to evaluate the program. The Academic Audit focuses on educational quality processes by using a combination of self-reflection and peer review.

The performance funding points for two-year institutions consist of five points each for accreditation and program review, while the four-year institutions include an additional five points for graduate program review.

**STANDARD TWO – STUDENT SATISFACTION**

**10 points**

The Student Satisfaction indicator provides incentives for institutions to improve the quality of their undergraduate programs as evaluated by surveys of recent graduates, presently enrolled undergraduate students, and regional and/or national employers of recent graduates. In the 1<sup>st</sup> and 4<sup>th</sup> year of the cycle, institutions administer a student engagement survey. Universities will utilize the National Survey of Student Engagement while the two-year institutions will use the Community College Survey of Student Engagement.

In the 2<sup>nd</sup> and 5<sup>th</sup> year of the cycle, institutions administer the Alumni Survey to all alumni who graduated two years before the survey is administered. In the 3<sup>rd</sup> year of

the cycle, institutions must survey their local, regional and national employers as applicable. The information gained from these surveys will allow institutions to have a better understanding of the internal and external perceptions of their various clientele groups.

**STANDARD THREE – STUDENT PERSISTENCE**

**15 points**

The Student Persistence indicator provides incentives for institutions to improve the quality of their undergraduate programs as evaluated by targeting specific strategies that contribute to students’ retention and graduation rates. Evaluation will be accomplished by comparing institutional rates to institutional prior performance and external norms. For universities, the external norm comparison will be with the institutions’ funding peers utilizing IPEDS data. Community college rates will be compared with national rates from the National Community College Benchmark project.

Institutions will also conduct a study to qualitatively and/or quantitatively assess issues related to student persistence. The student persistence planning initiative will also allow institutions to develop goals and benchmarks related to the problem areas identified in the student persistence study.

**STANDARD FOUR – STATE MASTER PLAN PRIORITIES**

**Institutional Strategic Planning Goals**

**5 points**

The Institutional Strategic Planning Goals indicator provides incentives for institutions to evaluate progress toward specific goals contained in their strategic plan. Measurable objectives related to the institution’s strategic plans must be developed and benchmarks established for each year of the cycle.

**State Strategic Planning Goals**

**10 points**

The State Strategic Planning Goals indicator provides incentives for institutions to evaluate progress toward specific goals contained in the 2005-10 Master Plan for Tennessee Higher Education: Creating Partnerships for a Better Tennessee. The Master Plan focuses on a broad public agenda with focal areas devoted to developing partnerships for access, student preparation, affordability and educational excellence. Measurable objectives related to the state strategic master plan must be developed and benchmarks established for each year of the cycle.

**Transfer and Articulation**

**4 year – 5 points**

The Transfer and Articulation indicator is designed to provide incentives for institutions to qualitatively and quantitatively improve and enhance transfer and articulation by evaluating institutional progress. Measurable objectives related to student transfer must be developed and benchmarks established for each year of the cycle.

**Job Placement****2 year – 10 points**

The Job Placement indicator provides incentives for two-year institutions to continue to improve the job placement rate of their career program graduates. Each major field career program (certificate and A.A.S.) must be evaluated based upon the placement rate of its graduates.

**STANDARD FIVE – ASSESSMENT OUTCOMES****Assessment Pilot****5 points**

The Assessment Outcomes standard provides incentives for institutions to focus on pilot and implementation projects. The Assessment Pilot will be devoted to the collection and usage of the National Study of Instructional Costs and Productivity (Delaware Study) and the National Study of Community College Instructional Costs and Productivity (Kansas Study).

**Assessment Implementation****10 points**

The Assessment Implementation standard provides incentives to institutions to incorporate the information obtained through performance funding related assessment into their day-to-day activities. This standard will also encourage institutions to link their SACS Quality Enhancement Plan (QEP) with performance funding related assessment activities. Institutions will report annually on all actions related to their QEP and assessment activities. Commission and governing board staffs, as well as external evaluators will review these evaluations.